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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 7, 1999

APPLICATION OF

EAGLE COMMUNICATIONS, INC.

CASE NO. PUC980165

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On March 8, 1999, Eagle Communications, Inc. ("Eagle Communications" or "the Company") filed a completed application for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia. By Order dated March 31, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to such application.

On May 20, 1999, Staff filed its report finding that Eagle Communications' application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service, as codified in 20 VAC 5-400-180. The Staff recommended

granting a local exchange certificate to Eagle Communications subject to the following conditions: (1) the Company shall provide audited financial statements to the Staff no later than one year from the effective date of its initial tariff in Virginia; and (2) any customer deposits collected by the Company will be retained in an unaffiliated third-party escrow account until such time as the Staff or the Commission determines that it is no longer necessary.

A hearing was conducted on June 2, 1999. Eagle

Communications filed proof of publication and proof of service

as required by the March 31, 1999, Order. At the hearing, the

application, the Company's exhibits and Staff's report were

entered into the record without objection.

Having considered the application and the Staff's report, the Commission finds that such application should be granted. Although we will require the Company to retain any customer deposits in an unaffiliated third-party escrow account, this requirement should not be interpreted to prevent the Company's normal access to deposits from delinquent terminated accounts.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Eagle Communications, Inc. is hereby granted a certificate of public convenience and necessity, No. T-447, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering

of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

- (2) Eagle Communications shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.
- (3) Should Eagle Communications collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, for such funds and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or the Commission determines necessary.
- (4) Eagle Communications shall provide audited financial statements to the Staff no later than one year from the effective date of the initial tariff in Virginia.
- (5) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.